



Legislation Details (With Text)

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On agenda: 2/28/2024 **Final action:**

Title: Authorize (1) a five-year service contract for benefits consulting services and auditing services of medical and pharmacy benefit plans for the Department of Human Resources in an amount not to exceed \$1,143,750.00; and (2) the ratification for the Department of Human Resources to pay outstanding invoices in the amount of \$162,895.81 for benefits consulting services and auditing services of medical and pharmacy benefit plans - Holmes Murphy and Associates, LLC, most advantageous proposer of eight - Total not to exceed \$1,306,645.81 - Financing: Employee Benefits Fund (subject to annual appropriations)

Sponsors:

Indexes: 100

Code sections:

Attachments: 1. Resolution

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: February 28, 2024

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Jack Ireland

SUBJECT

Authorize (1) a five-year service contract for benefits consulting services and auditing services of medical and pharmacy benefit plans for the Department of Human Resources in an amount not to exceed \$1,143,750.00; and (2) the ratification for the Department of Human Resources to pay outstanding invoices in the amount of \$162,895.81 for benefits consulting services and auditing services of medical and pharmacy benefit plans - Holmes Murphy and Associates, LLC, most advantageous proposer of eight - Total not to exceed \$1,306,645.81 - Financing: Employee Benefits Fund (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract will provide for benefits consulting services and auditing services of medical and pharmacy benefit plans for the Department of Human Resources. The vendor will be responsible for keeping the City's Plan Administrators and City Attorney's Office informed of best practices and advising on any pending legislation that can impact the benefits plan. Additionally, the consultant will perform tasks such as:

- Conduct audits of the medical and pharmacy vendors
- Conduct annual plan evaluations
- Develop funding strategies
- Project plan costs
- Review proposals and provide recommendations
- Conduct benchmark studies and surveys
- Conduct required Governmental Accounting and Standards Board actuarial valuations
- Development of customized employee benefits and plan communications

The City offers medical, dental, and vision coverage to approximately 16,000 participants. These plans are administered through the Benefits Division of the Department of Human Resources. The vendor will assist with consulting on these plan options.

A five-member committee from the following departments reviewed and evaluated the qualifications:

- City Controller's Office (1)
- City Manager's Office (1)
- Department of Human Resources (1)
- Small Business Center Department (1)
- Office of Procurement Services (1)*

*The Office of Procurement Services evaluated cost and local preference, if applicable.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Experience 30 points
- Cost 20 points
- Approach, innovation and methodology 20 points
- Business Inclusion and Development Plan 15 points
- Timeframe 10 points
- Local Preference Program 5 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a "living wage" rate as established annually by the Massachusetts Institute of

Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The calculated living wage during the solicitation process of this contract is \$17.82; the selected vendor meets this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On November 12, 2014, the City Council authorized a three-year service contract, with two, one-year renewal options, to provide benefits consulting services and auditing services of medical and pharmacy benefit plans with Holmes Murphy & Associates, LLC by Resolution No. 14-1877.

On September 27, 2017, the City Council authorized Supplemental Agreement No. 1 to exercise the first of two, one-year renewal options to the consultant contract with Holmes Murphy & Associates, LLC to provide benefits consulting services and auditing services of medical and pharmacy benefit plans by Resolution No. 17-1542.

On December 12, 2018, the City Council authorized Supplemental Agreement No. 2 to exercise the second of two, one-year renewal options to the consultant contract with Holmes Murphy & Associates, LLC to provide benefits consulting services and auditing services of medical and pharmacy benefit plans, extending the term from November 1, 2018 through October 31, 2019, by Resolution No. 18-1762.

On October 23, 2019, the City Council authorized Supplemental Agreement No. 3 to the consultant contract with Holmes Murphy & Associates, LLC to provide benefits consulting services and auditing services of medical and pharmacy benefit plans and to extend the term from November 1, 2019 through June 30, 2020, by Resolution No. 19-1677.

On June 10, 2020, the City Council authorized a three-year consultant service contract, with two one-year renewal options, for benefits consulting and auditing services of medical and pharmacy benefit plans for the Department of Human Resources with Holmes Murphy & Associates, LLC by Resolution No. 20-0914.

The Government Performance and Financial Management Committee will be briefed by memorandum regarding this matter on February 26, 2024.

FISCAL INFORMATION

Fund	FY 2024	FY 2025	Future Years
Employee Benefits Fund	\$283,048.60	\$283,048.60	\$740,548.61

M/WBE INFORMATION

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal
\$1,306,645.81	Other Services	N/A
M/WBE Subcontracting %	M/WBE Overall %	M/WBE Overall Participation \$
N/A	N/A	N/A

- This item is Other Services which does not have an availability and disparity participation goal.
- Holmes Murphy and Associates, LLC - Local; Workforce - 0.00% Local

PROCUREMENT INFORMATION

Method of Evaluation for Award Type:

Request for Competitive Sealed Proposals	<ul style="list-style-type: none"> • Utilized for high technology procurements, insurance procurements, and other goods and services • Recommended offeror whose proposal is most advantageous to the City, considering the relative importance of price, and other evaluation factors stated in the specifications • Always involves a team evaluation • Allows for negotiation on contract terms, including price
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The Office of Procurement Services received the following proposals from solicitation number BHZ23-00021166. We opened them on May 26, 2023. We recommend the City Council award this service contract in its entirety to the most advantageous proposer.

*Denotes successful proposer

<u>Proposers</u>	<u>Address</u>	<u>Score</u>
*Holmes Murphy and Associates, LLC	12712 Park Central Dr. Suite 100 Dallas, TX 75251	84.50
Gallagher Benefit Services, Inc.	70 NE Loop 410 Suite 325 San Antonio, TX 78258	66.90
Alliant Insurance Services	3600 North Capital of Texas Hwy. Bldg. B, Suite 100 Austin, TX 78746	21.75
AON	5005 LBJ Frwy. Suite 1400 Dallas, TX 75244	21.25
McGriff Insurance Services	5080 Spectrum Dr. Addison, TX 75001	21.25
Willis Towers Watson (WTW)	500 North Akard St.	18.25

	#4300 Dallas, TX 75201	
Marsh & McLennan Agency	8144 Walnut Hill Ln. 16th Floor Dallas, TX 75231	17.50
IMA Financial Group, Inc.	14221 Dallas Pkwy. Suite 700 Dallas, TX 75254	17.00

OWNER

Holmes Murphy and Associates, LLC

Daniel Keough, Chief Executive Officer